

## **Senate Bill No. 621**

### **CHAPTER 499**

An act to add Sections 3517.63, 19829.5, and 19829.6 to the Government Code, relating to employment relations.

[Approved by Governor October 4, 2005. Filed with  
Secretary of State October 4, 2005.]

#### **LEGISLATIVE COUNSEL'S DIGEST**

SB 621, Speier. Memoranda of understanding: addenda and posting.

(1) Under the Ralph C. Dills Act, a provision of a memorandum of understanding reached between the state employer and a recognized employee organization representing state civil service employees that requires the expenditure of funds does not become effective unless approved by the Legislature in the annual Budget Act.

This bill would require the Department of Personnel Administration to provide any side letter, appendix, or other addendum to a properly ratified memorandum of understanding that requires the expenditure of \$250,000 or more related to salary and benefits and that is not already contained in the original memorandum of understanding or the Budget Act to the Joint Legislative Budget Committee. This bill would require the Joint Legislative Budget Committee within 30 days after receiving the side letter, appendix, or other addendum to determine if it presents substantial additions that are not reasonably within the parameters of the original memorandum of understanding and thereby requires legislative action to ratify it.

This bill would require the Department of Personnel Administration to expressly identify the side letter, appendix, or other addendum to a properly ratified memorandum of understanding that does not require the expenditure of funds if that side letter, appendix, or other addendum is to be incorporated in a subsequent memorandum of understanding submitted to the Legislature for approval.

(2) Existing law requires the Department of Personnel Administration to establish and adjust salary ranges for each class of position in the state civil service subject to any merit limits contained in Article VII of the California Constitution. The department also represents the Governor and presents the state's management position in negotiations with recognized employee organizations representing state employees.

This bill would require the department to post, in a clear and conspicuous manner on the department's Web site, each memorandum of understanding that has been submitted to the Legislature for determination pursuant to the Ralph C. Dills Act and has been ratified by the affected union membership, in its entirety. The bill would require the Web site posting to include a declaration that the memorandum has been submitted

to the office of the Legislative Analyst and the Legislature, including the date of that submission and a summary of the memorandum of understanding that is the same summary provided to the Legislature by the department.

The Legislative Analyst would have 10 calendar days from the date the tentative agreement is received to issue a fiscal analysis to the Legislature. The bill would provide that the memorandum of understanding would not be subject to legislative determination until either the Legislative Analyst has presented a fiscal analysis of the memorandum to the Legislature or until 10 calendar days have elapsed since the memorandum was received by the Legislative Analyst. The bill would require each memorandum of understanding submitted by the department to the Legislative Analyst to include the department's analysis of costs and savings.

*The people of the State of California do enact as follows:*

SECTION 1. Section 3517.63 is added to the Government Code, to read:

3517.63. (a) Any side letter, appendix, or other addendum to a properly ratified memorandum of understanding that requires the expenditure of two hundred fifty thousand dollars (\$250,000) or more related to salary and benefits and that is not already contained in the original memorandum of understanding or the Budget Act, shall be provided by the Department of Personnel Administration to the Joint Legislative Budget Committee. The Joint Legislative Budget Committee shall determine within 30 days after receiving the side letter, appendix, or other addendum if it presents substantial additions that are not reasonably within the parameters of the original memorandum of understanding and thereby requires legislative action to ratify the side letter, appendix, or other addendum.

(b) A side letter, appendix, or other addendum to a properly ratified memorandum of understanding that does not require the expenditure of funds shall be expressly identified by the Department of Personnel Administration if that side letter, appendix, or other addendum is to be incorporated in a subsequent memorandum of understanding submitted to the Legislature for approval.

SEC. 2. Section 19829.5 is added to the Government Code, to read:

19829.5. (a) The Department of Personnel Administration shall provide a memorandum of understanding pursuant to Section 3517.5 to the Legislative Analyst who shall have 10 calendar days from the date the tentative agreement is received to issue a fiscal analysis to the Legislature. The Legislative Analyst may prioritize the preparation of a fiscal analysis or report under this subdivision among other workload, including the submission of multiple memoranda of understanding. The memorandum of understanding shall not be subject to legislative determination until either the Legislative Analyst has presented a fiscal analysis of the memorandum

of understanding or until 10 calendar days has elapsed since the memorandum was received by the Legislative Analyst.

(b) Each memorandum of understanding submitted by the department to the Legislative Analyst shall include the department's analysis of costs and savings.

SEC. 3. Section 19829.6 is added to the Government Code, to read:

19829.6. The Department of Personnel Administration shall post, in a clear and conspicuous manner on the department's Web site, each memorandum of understanding that has been submitted to the Legislature for determination pursuant to Section 3517.5 and that has been ratified by the affected union membership. The memorandum of understanding of the agreement reached between the Governor and the recognized employee organization shall be posted on the department's Web site in its entirety, with a declaration that the memorandum has been submitted to the office of the Legislative Analyst and the Legislature, including the date of that submission. The department shall include on its Web site posting a summary of the memorandum of understanding that is the same summary provided to the Legislature by the department.